BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NOS. 2017-305-E, AND 2017-370-E

In Re: Request of the South Carolina Office of Regulatory Staff for Rate Relief to SCE&G Rates Pursuant to S.C. Code Ann. § 58-27-920 In Re: Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Inc., for review and Approval of a proposed business combination between SCANA Corporation and Dominion Energy, Inc., as may be required and for a prudency determination regarding the abandonment of the V.C. Summer Units 2 & 3 Project and associated customer benefits and recovery plan.	**SPEAKER LUCAS'S RESPONSE SUPPORTING, IN PART, THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF'S PETITION FOR RECONSIDERATION**

Pursuant to the Hearing Officer Directive in Order No. 2019-3-H, Intervenor James H. "Jay" Lucas (Speaker Lucas), in his official capacity as Speaker of the South Carolina House of Representatives, submits this response supporting, in part, the South Carolina Office of Regulatory Staff's (ORS) petition for reconsideration.

Speaker Lucas writes in support of ORS's request that the Public Service Commission of South Carolina (the Commission) make a specific finding of imprudence as to all costs South Carolina Electric & Gas Co. (SCE&G) incurred on the new nuclear project (the Project) after March 12, 2015. Indeed, Speaker Lucas requested such a finding in the final brief he filed with the Commission over a month ago. Although the Commission disallowed all costs incurred after March 12, 2015, the Commission failed to articulate any factual basis for such a disallowance in

its Order. More importantly, the Commission neglected to apply the terms "imprudent" and "prudent"—both of which were defined in section 58-33-220 of the South Carolina Code (Supp. 2018)—as required by statute. See S.C. Code Ann. § 58-33-280(K) (2015) (asserting "recovery of capital costs may be disallowed only to the extent that the failure by the utility to anticipate or avoid the allegedly imprudent costs, or to minimize the magnitude of the costs, was imprudent considering the information available at the time that the utility could have acted to avoid or minimize the costs" (emphasis added)). Further, the Commission failed to rule upon an issue raised by the Joint Applicants themselves.

The record in this case is replete with evidence that supports the Commission making a finding of imprudence. See S.C. Code Ann. § 58-33-220(23) (Supp. 2018) ("'Imprudent' or 'imprudence' includes, but is not limited to, lack of caution, care, or diligence as determined by the commission in regard to any action or decision taken by the utility or one acting on its behalf including, but not limited to, its officers, board, agents, employees, contractors, subcontractors, consultants affecting the project, or any other person acting on behalf of or for the utility affecting the project. Imprudent or imprudence includes, but does not require, a finding of negligence, carelessness, or recklessness. Imprudence on behalf of any contractor, subcontractor, agent, or person hired to construct a plant or perform any action or service on behalf of the utility shall be attributed to the utility."); ORS Pet. Reh'g at 6–13 (outlining the substantial evidence in the record that supports the Commission making a finding of imprudence).

Accordingly, Speaker Lucas joins ORS's petition for reconsideration, in part, and requests that the Commission make a specific finding of imprudence as required by law. As Commissioner Ervin cogently noted in his concurrence, such a finding "would emphasize the need for all regulated utilities to be transparent in their dealings with ORS" and this Commission. Comm'n Order at 115 (Ervin, Comm'r, concurring).

Respectfully submitted,

s/Robert E. Tyson, Jr.
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